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## OPEN MEETING AGENDA ITEM

December 21, 2020

Chairman and Commissioners  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007-2996

**Re: Support for EPCOR Purchase of Johnson Utilities' Assets: WS-01303A-20-0298/WS-02987A-20-0298**

Dear Chairman Burns and Commissioners,

Pinal Partnership was formed in 2005 to bring together the people and ideas that will ultimately lead Pinal County to meet its full potential. One issue that has been holding Pinal County back from reaching this full potential is the state of Johnson Utilities. As a result of Johnson Utilities' troubles, whole swaths of the fastest growing part of our county have been rendered undevelopable for several years. This harsh reality has cost Pinal County hundreds of millions of dollars in lost opportunity, thousands of jobs, and incalculable missed economic development potential.

On behalf of Pinal Partnership's 170+ members, we are writing to respectfully request the Commission approve EPCOR's acquisition of Johnson Utilities' assets at the meeting on December 22, 2020. This approval will help Pinal County finally move beyond this dark period and go into the future with EPCOR as a strong, competent utility provider.

Some have asked the Commission to take more time or work to alter the economics of the transaction to make sure Johnson Utilities' current ownership does not make money on this sale. While we sympathize with those that continue to be frustrated with Johnson Utilities' ownership and understand the perspective of those that are disappointed with the prospect of ownership selling the utility for a profit, the bottom line is that attempts to make this transaction punitive to the Johnson Utilities divert from the goal of everyone involved: to bring safe and reliable service to the region and to capture all the exciting pent-up growth ahead. Simply put, the region cannot afford to risk this transaction failing based on demands that are just not financially realistic.

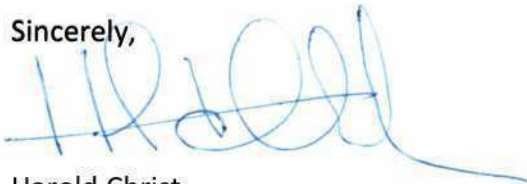
We encourage the Commission to focus on the larger goal of providing safe and reliable utilities in this service area. We have never been closer to an amicable solution and the sense of urgency is high. Significant infrastructure investments are needed immediately to avoid additional

growth moratoriums, and to prevent more job losses and missed opportunities for the region. If this deal falls through, then this region will suffer immensely.

The risk to the region of an unsuccessful transaction far outweighs any possible benefits that can flow from continuing this matter and pushing for a lower deferred debit. Couple this with the fact that no competent utility provider will acquire Johnson Utilities without some accommodation for the utility's dramatically low-rate base. As a result, the Commission will have to approve a transaction that includes a feature like the proposed deferred debit or Johnson Utilities simply will never sell. In this case, we are pleased that Commission Staff and RUCO have negotiated the deferred debit down to a fair number that balances the interests of EPCOR with the ratepayers.

We are grateful for your leadership through this difficult time and for the work you have done so far to help our community deal with this issue. We ask that you approve this transaction so we can turn the page to a brighter future. We appreciate your support.

Sincerely,

A handwritten signature in blue ink, appearing to read 'H. Christ', with a long horizontal flourish extending to the right.

Harold Christ  
President/CEO  
Pinal Partnership